

**INSTRUCTIONS FOR COMPLETING THE
CHILD AND ADULT CARE FOOD PROGRAM
APPLICATION FOR PARTICIPATING SPONSORS OF DAY CARE HOMES**

The application is available on the website for Child and Adult Nutrition Services (CANS) at <http://doe.sd.gov/oess/cans/cacfp/applications.asp>. If you have computer Internet access, you can download the document and complete it on the computer or print it out and complete it by hand. The document needs to be submitted by mail with an original signature.

Read and follow these instructions carefully. Approval of applications for the nutrition programs is a lengthy process. Your cooperation in submitting them with accuracy will be sincerely appreciated. Please feel free to contact our office with any questions you may have.

The application consists of three parts to be completed and returned with appropriate attachments, along with a Policy Statement, including the letter to parents (two pages), application for free and reduced price meals (two pages), public release, and if a pricing program, the notification letter. One copy of each application part and attachments is to be completed with original signatures and returned to the CANS office. A copy of the approved application packet and an approval letter from the South Dakota Department of Education, Child and Adult Nutrition Services, will be sent to you after it has been determined that the information meets all guidelines and regulations. The narrative (parts 4 and 6) and the regulations, along with policies, instructions, and policy manuals govern the program.

The approved Parts 1, 2, 3, and attachments, as well as the narratives in Parts 4 - 6 are to be kept at the Local Agency for 3 years past the last year of usage, at a minimum. Agreements are approved for three years and renewed annually during the two years in between agreements. For example, if the "base year" agreement (2007-2008) were renewed annually for 2 years (through 2010), Parts 2 - 3 would need to be kept on file for 3 years past 2010 because these parts are approved for three years and only updated in the two renewal years. Agencies that begin Program operation in years after 2007-2008 may not have two renewal years before another base year application is collected.

Complete Parts 1, 2, and 3, sign them as needed, and return them with appropriate attachments. Again, please do not hesitate to contact our office at (605) 773-3413 with any questions as you complete this application packet.

Applications should be submitted to:

Child and Adult Nutrition Services - DOE
800 Governors Drive
Pierre, SD 57501-2235

Claims and Audits should be submitted to:

Finance & Management Services - DOE
700 Governors Drive
Pierre, SD 57501-2291

Again, review of information and approval of the application is a lengthy process. During this time the State must secure and approve your materials if changed from the prototypes in Policy Statement Attachments. If you deviate from any of the attachments (letter to parents, application form, etc.), you must secure written approval from Child and Adult Nutrition Services personnel prior to releasing them for distribution.

Part 1 – Combined Application

All agencies complete and return only one copy of part 1, regardless of how many programs the agency operates. This section has general information about all programs. If the center is sponsored by a school, tribe, or agency that already participates in a Child Nutrition Program, the Part 1 that is already on file for the school, tribe, or agency should be amended to include the new information. Do not complete a separate Part 1 for this new Program.

A. Local Agency Data

1. Provide the addresses and phone numbers for the local agency. The Local Agency Number will be assigned by CANS once the application is received in the office. Leave this blank unless the agency operates another Child Nutrition program. The number will remain the same across all Programs. The first address will be used for mail for the authorized representatives for all programs the agency operates unless different names and addresses are designated on Section E on page 2 for the different Programs. The second address requested is one for package delivery. This applies to agencies that use a P.O. Box for their mail or those that desire packages to be delivered to a different address. A street address is required for packages sent through package delivery services.
2. Indicate which of the listed items apply to the agency status. Include any required attachments. New Private and Public non-profit local agencies must provide proof of their tax-exempt status under section 501(c) 3 of the amended IRS code. Private, for-profit, non-residential child care agencies may be allowed to participate in the program under certain circumstances. Contact CANS staff members for additional information.

B. Programs

Mark which program(s) the local agency is applying to operate. The Snack After School is a meal in the National School Lunch Program (NSLP) or Child and Adult Care Food Program (CACFP), not a program of its own. Appropriate sections will be mailed to agencies that desire to participate in the Summer Food Service Program (SFSP) in the spring. Marking the box at this time indicates a desire to participate in the program, but program participation cannot be approved without SFSP parts 2 and 3.

C. Meal/Milk Count Method

It is imperative that all agencies maintain a reliable method for taking meal counts each day at each meal service. There are many acceptable methods for completing meal counts. Check whether point-of-service is used or an alternate method will be used.

Point-of-service means that there is a point in the food service operation where a determination can accurately be made that a reimbursable free, reduced-price, or paid meal, or free or paid milk has been served to an eligible child. This is traditionally at the end of the serving line.

Alternate systems mean the count is taken in a different manner. A few examples include: 1) the meals are served family style and the names of children are checked on the roster immediately after they have been served. 2) Tickets are taken or roster is checked off at the beginning of the meal service line and the last person in the line makes sure that all children have the right number of food items on their trays. 3) Children are seated and their individual meals are brought to them. The names of children are checked on the roster immediately after they have been served. Provide additional information to describe any alternate systems used by each site in the Local Agency. The CANS office must approve any alternate systems.

Also, indicate if your system of meal counts is taken manually or if the meal counts are generated by computer software (based on attendance). If computer software is used you must report the name of the software program.

D. Production Records

Production records must be maintained for all special nutrition programs, except the Special Milk Program and in day care homes. A prototype has been provided by the State Agency (CANS) for each program. If that prototype is used, check that box. If the local agency has developed its own production record or is using one from a company (such as a computerized method), check the alternate form box and include a completed sample of what is used. If infant meals are claimed, also provide a copy of a completed infant production record form. Prototype production record forms are available from the CANS office if not using the prototype form.

E. Personnel

This item requests information for personnel for all programs. Sometimes the same person is responsible for all areas of all programs. If that is the case, it is not necessary to complete the information over and over again. Just write "same" on the top line of that section. The names of the Programs are in the columns and the information being requested relative to each program is listed in the rows on the left. CACFP applicants should use the second Program column.

Authorized Representative is the person designated and authorized by the governing board to enter into contracts on behalf of the local agency and must be administratively responsible to Child and Adult Nutrition Services for all administration and operation terms of the Special Nutrition Programs. Include an extension number for the telephone if that type of system is utilized. A separate fax number can also be listed. Sometimes one person in an agency is the authorized representative and signs the agreement, but chooses to designate someone else in the agency to receive correspondence from this office. It is the agency's responsibility to make sure information is appropriately shared.

Claim Representative is the person responsible for completing the claims for reimbursement and the person to be contacted in case of questions regarding the claim. The mailing address for the claim representative should be listed if it is different than that of the local agency or authorized representative. Include a telephone extension number, if appropriate. A separate fax number can also be listed.

Food Service Director is the person responsible for food service/nutrition program operations at the local agency. A separate mailing address for the food service director can be listed, if needed. Include a telephone extension number, if appropriate. A separate fax number can also be listed.

Commodity Delivery Address is the physical address where the commodities will be delivered if the agency receives commodities. Commodities are not available for Child & Adult Care Food Program agencies so this section does not need to be completed for this Program. CACFP agencies receive a cash-in-lieu rate to be able to purchase product that is more readily usable for small groups.

F. Site Summary

This section asks for the name of each day care home and some relative information in regard to that home. Each home should be listed along with the provider's mailing address and the date of birth. Also, make sure to indicate which homes are registered as Day Care Homes and which are licensed as Group Family Day Care Homes.

CHILD AND ADULT CARE FOOD PROGRAM

ADCC – Adult Day Care Center
ASC – After School Care
CC – Child Care Center
CCCH – Child Care Center - Head Start & Early Head Start
CCCO – Child Care Center – For Profit Center
DCH – Day Care Home
ES – Emergency Shelter
GFDCH – Group Family Day Care Home
OSH – Outside School Hours

SUMMER FOOD SERVICE PROGRAM

CAMP – Residential Camp
ENRL – Enrolled Site
MIGR – Migrant
NRC – Nonresidential Camp
NYSP – National Youth Sports Program
OPEN – Needy Area

SPECIAL MILK ONLY

NPN – Nonprofit Nursery
SC – Summer Camp
ELSCH – Elementary School
MSCH – Middle School
JHSCH – Junior High School
SHSCH – Senior High School
PSCH – Pre School
SH – Settlement House
SVCI – Service Institution
RCCI – Residential Child Care Institution

NATIONAL SCHOOL LUNCH, SCHOOL BREAKFAST

RCCI – Residential Child Care Institution
ELSCH – Elementary School
MSCH – Middle School
JHSCH – Junior High School
PSCH – Pre School
SHSCH – Senior High School
UNSCH – Un-graded School

The columns on the left list the various programs in which a site can participate. CACFP applicants should complete the CACFP rows (2nd section from the bottom).

Begin Date – list the beginning dates of program operations for each site in the federal fiscal year. The application covers the federal fiscal year of October 1 through September 30. If the local agency operates year round, the begin dates should be listed as the dates the agency would like to begin Program operations at the site.

End Date – list the end dates of program operations for each site in the federal fiscal year. The application covers the federal fiscal year of October 1 through September 30. If the local agency operates year round, the end dates should be listed as September 30th.

Operating Days per Week – Circle the days of the week that each attendance center is open.

Total Number of Operating Days – Indicate the number of days each attendance center intends to operate in this program year (October 1st through September 30th).

G. Contracts

Circle Yes or No for each question. On the lines below, list any contracts that were answered with a "yes" and attach a copy of that contract for approval. CANS staff must approval all contracts.

H. Attachments

Include copies of required documentation and check which documents are attached. Local Agencies that are private or public nonprofit must provide proof of their tax-exempt status under section 501(c)3 of the amended IRS code.

I. Authority

The authority for program operation is provided in Section I.

J. Assurances

This section provides assurances that the program will be operated according to program requirements, that the agency has not been suspended or debarred.

Part 2 – Application to the Child and Adult Care Food Program

A. Local Agency Information

1. Fill in the Local Agency name. Child and Adult Nutrition Services (CANS) assigns the Local Agency number. If the agency is new to the special nutrition programs, leave this blank. If the agency operates another Program use the same number for this Program application part.
2. **A.** Write in the number of family daycare and group family daycare homes currently under the agency's sponsorship. These numbers should agree with the information provided in the Combined Application Part 1F.
- B.** Write in the total number of homes approved Tier 1. Also, provide the breakout of the number of homes approved based on school data, census, or provider's income.
- C.** Write in the total numbers of children enrolled in Tier 1 homes. Sign the assurance statement the providers' own children will only be claimed when the provider is eligible by income.
- D.** Write in the total number of homes approved as Tier 2 only (no children receive Tier 1 rates).
- E.** Write in the total number of homes approved as Tier 2 mix (homes where any number of children receive Tier 1 rates).
- F.** Write in the total number of children enrolled in both Tier 2 and/or Tier 2 mix homes.
- G.** Write in total number of children eligible for Tier 1 rates in Tier 2 homes.
3. All contracts must be listed here, a copy of each contract must be included with the application, and each contract must be approved by the State Agency. A sample Food Service Management Company Contract with bidding procedures is available from the State Agency on request. A prototype of an agreement between a school and a sponsor of daycare homes can also be requested if the home wishes to purchase meals from a school.
4. Indicate which applicable attachments are included with the application. Note that some are required for all, while others are only required if applicable.

B. Sponsoring Organization Management Plan

1. **Training** – Annual training is required for all key staff (including all monitoring staff) and all day care home providers.
 - a. Training Verification** – The agency must provide documentation of the CACFP training provided to each key staff (including each day care home provider) during the 2006-2007 Program year. Documentation should include a copy of the agendas for each training session. Agendas must indicate the topics covered (all topics listed on the application must be covered annually). A copy of the sign in sheets must also be provided so as to show proof that all key staff were trained in their areas of job responsibility during the most recent prior Program year. If documentation is not available, the agency will be required to train all key staff (or take action to terminate the providers not in compliance with the annual training requirement) before this renewal application can be approved.
 - b. Training Plan** – It is the responsibility of the local agency to ensure that all key staff at each facility sponsored by the agency receive annual training specific to the CACFP duties they perform. Separate schedules must be provided for administrative staff and day care home providers. Failure to participate in annual training is considered a serious deficiency. Complete the charts to indicate the training plans for the agency for the upcoming program year (October 1, 2006 through September 30, 2007) for both administrative staff and day care home providers.

- b. Pre-approval visits are required for each home for which application is made to discuss program benefits and verify that the proposed food service does not exceed the capability of the day care home. All new providers must receive training prior to being approved for participation in the CACFP. Describe the system in place to ensure that training is completed during the preapproval visit prior to approval for participation.
- c. Annual training in the CACFP must be provided to all day care homes under the agency's sponsorship. It is required that a system be in place to ensure that all providers participate in annual training. Describe the system in place which ensures participation in annual training. Failure of a day care home provider to participate in annual training is a serious deficiency.

2. Monitoring –

- a. Each day care home provider must be reviewed at least three times each year, including one review during the first four weeks of program operation. These reviews cannot be more than six months apart. At least two of these reviews must be unannounced (the provider can not be notified in advance of the review). At least one unannounced review must include the observation of a meal service. If a serious deficiency is noted during a review, the next review **must be** unannounced. If a provider does not operate year round the number of reviews may be pro-rated (e.g. a provider that is closed for the summer needs only to be reviewed two times per year.) It is permissible to implement “averaging” for the number of reviews conducted at each home. For more information on averaging, contact the State agency. Provide a schedule as requested.
- b. A system must be in place to ensure monitoring responsibilities can be completed according to regulations. The system must allow sufficient time and personnel to complete all required reviews (three reviews per home per year).
- c. For sponsors of 50 or more homes: Regulations require that a specific number of full-time equivalent (FTE) staff are assigned to monitoring duties. Each sponsoring organization needs to report how many FTEs are assigned to monitoring duties. The maximum range of homes per FTE is 1 FTE per 50-150 homes. Remember to include travel time and all approved “monitoring-related” duties. A job description must be provided for all staff that are assigned to monitoring duties. The regulations also require that job descriptions be reviewed for all monitoring staff. Provide a copy of all job descriptions that apply to staff assigned to monitoring duties.
- d. Indicate how the local agency monitors/evaluates the quality of work (timeliness, thoroughness, etc.) for each person assigned with monitoring responsibilities.
- e. Include a copy of the monitoring review form used. All reviews must include (at a minimum) a review of: 1) the meal pattern; 2) licensing or approval; 3) attendance at training; 4) meal counts; 5) menu and meal records; and 6) the annual updating of enrollment forms. A system must be in place to identify and address “problem” areas. The system must allow for these areas to be corrected. Subsequent reviews must include a follow-up review of areas addressed as problems in previous reviews to ensure problems are corrected on a permanent basis.
- f. In South Dakota all Sponsoring Organizations of Day Care Homes are required to conduct household contacts in the following situations: 1) any time the five-day reconciliation of meal counts and enrollment forms turns up claiming errors for two consecutive reviews and/or follow-up reviews; 2) any time a provider is consistently not at home during the time of a review; 3) any time meal count records exceed enrollment; 4) any time the number of children in attendance during two consecutive reviews is significantly (40%) lower than the average attendance for that meal service; 5) as a follow up to specific or identified meal count and/or attendance concerns brought to the attention of the sponsoring organization and/or state agency by licensing staff, parents, employees of the provider, the public, etc. (The local agency must also follow up on concerns brought to their attention in areas that are not related to meal count and/or attendance.

Household contacts may or may not be appropriate means of follow up to other identified concerns.); 6) as a follow up to any concerns of fraudulent claiming discovered during reviews; 7) as a follow up to any suspicious claiming patterns discovered during claims processing.; and 8) on a random basis to ensure that household contacts are completed for at least 5% of all providers during each Program year (October – September). The sponsor must always round up to the next whole number in determining the total number of household contacts that must be completed for the Program year. The procedures that must be followed for sponsors of day care homes can be found in SD Numbered Memo CACFPDCH 76.1.

- g. If behaviors are observed during a review or problems are found with meal counts, time in / time out records, etc. which result in not being able to claim the meals, a system must be in place to disallow those meals. Provide a description of the method(s) in place for disallowance of meals. Also, indicate how the personnel responsible for paying the claims will be notified. Finally, indicate how and when the provider will be notified.
 - h. If the need would arise, a system must be in place for referring a situation to Licensing or Child Protective Services. Indicate the local agency's policy. Note that if State or local health or licensing officials have cited a day care home for serious health or safety violations, the sponsoring organization must immediately suspend the home's Program participation prior to any formal action to revoke the home's licensing or approval. If the sponsoring organization determines that there is an imminent threat to the health or safety of the participants at a day care home or that the day care home has engaged in activities that threaten public health or safety, and the licensing agency cannot make an immediate onsite review, the sponsoring organization must immediately notify the appropriate State or local licensing and health authorities and take action that is consistent with the recommendations and requirements of those authorities.
 - i. Regulations require that at least two of the three required reviews to each home be unannounced reviews. If all three reviews are conducted unannounced, training must be provided to the home in another manner (separate training session convenient for the provider, an additional (announced) review, etc). During at least one of the unannounced reviews a meal service must be observed. If a serious deficiency is noted the next review **must be** unannounced. The local agency must notify all providers in writing of the review policy.
 - j. All providers must be notified annually of the local agency's unannounced review policy. This notice must include: 1) that unannounced reviews will be made only during the provider's normal business hours and 2) that photo identification will be provided by the person completing the review which demonstrates that they are employees of the sponsoring organization. Provide written notice to each provider and provide the CANS office with a copy of that written notification. Sample wording is available upon request from the CANS office.
3. **Recruitment Practices** – The local agency must be able to demonstrate that it will use appropriate recruitment practices consistent with regulatory requirements found at 226.6(p). This would mean that the local agency may not make overtures to providers that are sponsored by a different local agency for the purpose of expanding the number of providers under the local agency's sponsorship. If the local agency does have a practice of recruiting new sites, the local agency must submit a copy of their recruitment policies and procedures for review. Prototype policies are available upon request.
4. **Delivery of Benefits** – Sponsoring organizations must be able to show that the participation of the local agency in the program will allow providers to benefit from the program that otherwise would not have access to the program. Describe or provide documentation of how the participation of the local agency will make the CACFP accessible to otherwise un-served providers.

5. Record Collection –

- a. **Child Records** – Records must be kept on file for three years beyond the year to which they pertain. Indicate the local agency's system for collecting and filing each of the forms listed on the chart.
- b. **Record Review** – On a separate sheet of paper indicate how each of the records are reviewed to make sure that Program requirements (meal patterns, meal counts, eligibility Tier 1 rates, etc.) are met. The following is a summary of the minimum information that must be included in the descriptions provided by the agency on the application.

Income Eligibility Applications – After these records are collected they must be reviewed to make sure that the following information is completed: 1) all family members are listed, 2) a case number is provided for an “eligible” program (Food Stamps, TANF, or FDPIR) or the income of each family member is provided, 3) there is an adult household member signature on the form, and 4) there is a social security number for that household member (or the box is checked stating that they do not have a social security number).

Enrollment Forms – After these records are collected they must be reviewed to make sure that the following information is completed: 1) each child's full name is listed, 2) each child's date of birth is listed, 3) the normal hours are listed, 4) the normal days of care are listed, 5) the normal meals eaten while in care are listed, and 6) a parent's signature is on the form. These forms must be reviewed (and updated, as needed) by the parents on an annual basis.

Meal Count Records – After these records are collected they must be reviewed to make sure that the following information is completed: 1) the full name of each child is listed on the form, 2) the meal counts have been completed daily, 3) the meal counts are not done in advance, and that 4) attendance records support that the children were in attendance for all of the meals that were claimed.

Time In / Time Out Records – After these records are collected they must be reviewed to make sure that the following information is completed: 1) the full name of each child is listed and 2) the actual time in and time out are recorded for each child on a daily basis.

Menus – After menus are planned and before they are served, they must be reviewed to make sure that: 1) the CACFP meal patterns are followed for all meals and 2) the menus are nutritious (variety, limit sweets to not more than two times per week, etc.).

Menu Substitutions – If substitutions need to be made on the planned menus the substitutions need to be reviewed before the meals are claimed to make sure that any substitutions that were made were appropriate substitutions (i.e. the meal or snack is still reimbursable).

License/Registration – The license/registration of each provider must be reviewed to ensure that 1) the time period has not expired and 2) the certificate is from the State of South Dakota.

Accounting Records – All records of costs must be reviewed to ensure that: 1) all costs are “allowable” costs, 2) all receipts are itemized and dated, and 3) a nonprofit food service is operated (i.e. all CACFP monies are spent on CACFP costs).

6. Reimbursement –

- a. Checks and/or advance payments must be distributed to the daycare homes within five working days of receipt from the State Agency per 7 CFR 226 (g) and (h). Reimbursement for a home cannot exceed the number of CACFP meals claimed for that home by the sponsoring organization.

- b. If the agency ever withholds funds from homes, there needs to be a specific policy and procedure for doing so. Indicate what those policies and procedures are.
- c. Indicate the personnel responsible for making the payments to providers.
- d. Indicate the personnel responsible for oversight of this process.

7. Tiering Determinations –

- a. Indicate the name and position of the person responsible for making tiering determinations.
- b. Provide the name and position of the person providing oversight to the person making tiering determinations.
- c. Describe the process used to determine eligibility for each of the eligibility categories listed in (i) – (iii).
- d. Tier 1 – time frames for determinations – provide information as requested in (i)-(iv).
- e. Tier 2 – provider options – provide information as requested in (i)-(v).
- f. Tier 2 – household income eligibility of children in Tier 2 homes – provide information as requested in (i)-(ix).

8. Tier Related File Maintenance –

- a. Tiering determinations should be documented on the Tiering Addendum for each provider. See attachments in Part 3 of the application. If determinations will be documented in additional locations also identify those locations.
- b. The tiering addendum collects this information but most agencies record these time frames in computer programs for tracking purposes. Indicate all methods of documenting the length of tiering determinations.
- c. Indicate how the local agency will track the different time frames of the tiering determinations for each provider and make sure that new tiering addendums are completed within the required time frame.

9. Program Oversight –

- a. The local agency must have written policies and procedures in place to make sure that the local agency is in compliance with civil rights and other Program requirements. Provide a copy of the policies and procedures that are in place. Prototype policies are available from the CANS office upon request.
- b. The local agency should have written policies in place to make sure that CACFP funds are properly spent on allowable Program costs, with a system of checks and balances in place to prevent improper financial activities and are disbursed within the required time frame. Submit a copy of these policies and procedures. Prototype policies are available from the CANS office upon request.
- c. The local agency must have an outside employment policy in place. Send a copy of the local agency's outside employment policy. Prototype policies are available from the CANS office upon request.

- d. All agencies are required to provide basic CACFP information to families of enrolled children at the time of application and to all families at the time of enrollment after initial application. A Building for the Future flyer (which meets this program requirement) is available from the CANS office upon request.
- e. All sponsors of homes are required to provide a list of all Tier 1 providers whose tiering determinations are based on Food Stamp participation. This information is collected annually and forwarded to the Food Stamp office for their review.

C. Serious Deficiency

1. Describe the system used for determining homes to be seriously deficient to include: 1) the problems considered to be seriously deficient, 2) how information is collected by the Local Agency, and 3) the steps taken with the provider to correct the problem prior to termination. The State Agency has specific procedures and forms for use by the local agency. If the Local Agency has developed any procedures to supplement the State Agency policies, attach a copy of these written procedures.
2. Describe the system used for terminating a day care home to include providing appeal rights to the provider, notification of the State Agency, etc. The State Agency has specific procedures and forms for use by the local agency. If the Local Agency has developed any procedures to supplement the State Agency policies, attach a copy of these written procedures.

D. Board of Directors

All private and public, nonprofit agencies are required to have a board of directors and must provide the information as requested in questions 1-6. The board should meet regularly. Board members should be informed of the local agency's participation in the CACFP and the specific requirements and regulations related to the operation of the CACFP. They will be held liable, in addition to the local agency, should the agency be found to be seriously deficient in the operations of the CACFP. The chart on Attachment K in Part 3 must include all responsible principals and individuals. We will maintain this information confidentially unless such actions occur on the part of the local agency or any board member that requires termination for cause, at which time, we must provide this information to USDA for placement on the National Disqualified List.

E. Publicly Funded Programs

Provide the information as requested. Publicly funded programs are programs in which the local agency or any of its principals participated in (or received funding from) that come from public (city, state, federal) funds. If the local agency or any principal has been disallowed from participation in any of these programs, the reason **must be** listed. Providing fraudulent information in this section may result in termination from the CACFP and/or prosecution.

F. Institution Principals

We moved this part of the application to the attachments sections of the application packet to enable our office to better protect the confidentiality of the information. Refer to, complete, and return Attachment K in Part 6 of the application packet.

G. Administrative Budget – Budget revisions must be submitted if the number of homes increases significantly from the number estimated.

1. a. Indicate the number of homes the upcoming year's budget is based on and using the current rates of reimbursement, complete the chart to determine the amount to be budgeted.

- b. Audit Requirements** – If the agency received and spent over \$500,000 in federal financial assistance in the prior fiscal year, an A133 audit is required. If the agency did not receive and expend over \$500,000 in federal financial assistance, the agency is exempt from audit. Mark the appropriate box. If an audit is required, complete the information requested.
- c. Sources of Income** – Every agency must be able to document that it is financially viable. If the costs exceed the amount of reimbursement, it is necessary to ensure that other sources of income are available to the local agency to cover all costs. These monies may come from grants, other income to the local agency, etc. If there are any foreseen changes in the level, function, and/or nature of funding sources, indicate any impact the change will have on the local agency.
- d. Resources Available** – Provide the information as requested. This information helps the state agency to determine the financial viability of the agency as is required.
- e. Repayment of Overclaims** – Provide the information as requested. Again, this information helps the state agency to determine the financial viability of the agency as is required.
- f. Advance Payments** – Full or partial advance payments can be requested at the beginning of the program year or at a later time if the sponsor chooses. The amount of advance payment is based on an average claim. The advanced amount is deducted from the monthly claim for reimbursement.
- g. Related Party Transactions** – To protect the integrity of the federal funds received from the Child and Adult Care Food Program all related party transactions must be reported at the time of application. Provide specific information, as requested on the application.
- h. Budget** – Provide specific information as requested [(i)-(xvii)] for the Administrative Budget. The total for each line item must be recorded on the chart following the worksheet. Notice that some items require prior approval or specific prior written approval from the State Agency. The local agency budget will be limited in that no more than 15% of total reimbursement may be spent on administrative expenses. Should any changes need to be made to the approved budget, the local agency should make those changes, highlight the changes, and submit a highlighted copy to the CANS office with a cover letter explaining the need for the amendments. The CANS office must approve all amendments to the budget.
- i. Resource Allocation for Monitoring** – The state agency has the responsibility of ensuring that the local agency is allocating sufficient resources to the monitoring duties. All costs related to monitoring. This would include items such as salaries, supplies, mileage, meals, lodging, etc. When calculating the salaries, make sure to only include the time spent on monitoring duties. These duties would include conducting the actual reviews and all travel involved for the reviews, any correspondence with the site in relation to the findings on the review, etc.

H. Certificate of Authority

If the Authorized Representative is the Board President, Owner, CEO, or Tribal Chair of the Local Agency, no signatures are needed. If the Authorized Representative is someone other than the Board President, Owner, CEO, or Tribal Chair, an agency official must grant authorization to the Authorized Representative to be administratively responsible to Child and Adult Nutrition Services for the administration and operation of the CACFP. By signing this section, authorization is granted to the individual to administer the program.

I. Assurance Statement

This section must be signed by the Authorized Representative which provides assurances that the program will be operated according to program requirements and that the local agency has not been suspended or debarred.

Part 3 – Policy Statement and Attachments

New agencies must complete, sign, and return a non-pricing policy statement. The non-pricing policy statement is permanent unless significant changes required Child and Adult Nutrition Services to make a change. At that time a new non-pricing policy must be completed, signed, and returned to the CANS office. Each agency must return the appropriate program policy attachments (provider agreement, provider application for participation, addendum to the provider agreement, public release, letter to providers and application for Tier 1 reimbursement, provider application for Tier 1 reimbursement, provider notification of eligibility determination, and letter to households in Tier 2 homes and family income statement). If the local agency plans to use the forms as they are, indicate that on each form. If changes are made, they must be submitted for approval prior to use.

Attachment A – INCOME ELIGIBILITY GUIDELINES – To be used by the local agency officials in determining eligibility.

Attachment B – PROVIDER AGREEMENT PROTOTYPE – In compliance with 7 CFR 226.18, the sponsoring organizations must enter into an agreement with each daycare home provider which specifies the rights and responsibilities of both parties. If the local agency has any additional requirements (e.g. earlier deadlines for submissions of claims, etc), these must specifically be stated in this agreement or in an addendum to this agreement. If additional requirements have been specified in an addendum to the agreement, a copy of the addendum must also be sent.

Attachment C – PROVIDER APPLICATION FOR PARTICIPATION PROTOTYPE – To be used by the provider in application for the CACFP which specifies various aspects of their daycare operation to the sponsor.

Attachment D – ADDENDUM TO THE PROVIDER AGREEMENT – This addendum is a signed statement by the provider and the sponsor indicating that the provider is determined either Tier 1 based on school data, census data, or provider income or Tier 2. If provider is determined Tier 2, the sponsor must inform the provider of the three different options available for receiving reimbursement.

Attachment E – PUBLIC RELEASE – The public release must annually be submitted to the local news media. The local agency is not required to pay for publication of the release. A copy of the public release as submitted to the media must be submitted to Child and Adult Nutrition Services and maintained in the permanent files.

Attachments F1-F4 – LETTER TO PROVIDERS & APPLICATION FOR CLAIMING TIER 1 REIMBURSEMENT – This letter and application is for providers who want to establish eligibility as a Tier 1 home in the CACFP or for providers who want to claim their own children in the program. These attachments also include instructions for completing the Tier 1 reimbursement application and information regarding the verification/supporting documents to submit.

Attachment G – PROVIDER NOTIFICATION OF ELIGIBILITY – The sponsor will use this form to notify each daycare home provider, applying for Tier 1 reimbursement, of his or her eligibility determination.

Attachments H1-H4 – LETTER TO HOUSEHOLDS WITH CHILDREN IN TIER 2 HOMES AND FAMILY INCOME STATEMENT – At the provider’s request, the sponsor will provide this letter and family income statement to families of Tier 2 providers to determine the eligibility of enrolled children for Tier 1 reimbursement. These attachments also include the Income eligibility guidelines and instructions for completing the family income statement.

Attachment I – CIVIL RIGHTS DATA COLLECTION – Regulations require that racial/ethnic data **be collected annually**. This information must be collected for the local agency and the area served and maintained on file for three years beyond the current year. You do not need to return this attachment to Child & Adult Nutrition Services.

Attachment J – APPEAL PROCEDURES FOR DAY CARE HOMES – These procedures must be provided to each day care home annually, at any time such action is taken, and at any other time upon request.

Attachment K – RESPONSIBLE PRINCIPALS AND INDIVIDUALS – You must complete and return this attachment. An institution “principal” is considered to be the agency’s Owner / CEO / Tribal Chair / Superintendent / or equivalent, and any persons listed in Part 1 of the application (Authorized Representative, Food Service Director, Claim Representative). All institutions participating in the CACFP **must provide** this information. Read the statements that follow the chart. You must have a screening system in place to scrutinize any criminal convictions of board members which may disqualify them from performing administrative functions. You may request a sample certification statement from our office. The Authorized Representative **must sign** at the end of this section.

Attachment L – AGREEMENT CHANGE FORM – This is the form that your agency should use to make any changes to the agreement or application once it has been approved by our office. If you have questions on how to use this form you may contact our office for assistance.